4. *Revenue.*—Compared with the Revised for past year, the estimate of revenue in the Budget shows a reduction of Rs. 13,87,000. The noticeable variations are the following:—

Land Revenue includes in the Revised the collections of large arrears and the absence of such arrears chiefly explains the reduction of one lakh under this head in the Budget. The large decrease of Rs. 11,84,000 under Forest is mainly attributable to absence of exceptional revenue from Tangadi leases. The increase of 2 lakhs under Excise is the normal annual growth. The excess under IV Income and Miscellaneous Taxes is due to the levy of the Income tax from 1st July 1920 as already stated. The price in rupees at which part of the production of the gold mines was being sold to the Government of India in the past year is not expected to be realised in the current year and this mainly accounts for the decrease under Mining Revenue. The revenue from Interest in the Revised is abnormal, while the estimate in the Budget counts on only the normal receipts. The decrease of Rs. 1,20,000 under Education is chiefly due to the abolition of school fees up to the Middle School standard. In the case of Railways the absence of special receipts as in 1919-20 explains the reduction of Rs. 1,49,000 in the estimates for current year. The revenue from Sandal Oil Factories is low in the Revised owing to adjustment of arrear interest on working advances due by the factories.

5. *Expenditure.*—The estimated expenditure is Rs. 9,07,000 less than the Revised estimate. The important variations are the following:—

The increase of Rs. 1,11,000 under Land Revenue is mainly due to the provision made for expediting resurvey operations and for phod work. The excess of Rs. 2,39,000 under Forest represents the charges for supplying fuel for Iron works, the corresponding revenue to the Department being taken on the revenue side. The excess under Stationery and Printing is accounted for by the high prices of printing paper and stationery and by the provision made for Census work. The large increase under Miscellaneous is mainly due to the additional provision made for high prices allowances. The increase under Medical is due to larger expenditure on diet and hospital necessaries. The reduction under Irrigation Works charged to Revenue is due to the suspension of the contribution of Rs. 5 lakhs to the Irrigation Capital Reserve. The excess of Rs. 4,26,000 under Education is for measures of reform contemplated in the Educational Memorandum and for normal development. The increase of Rs. 1,58,000 under Agriculture is due to provision made for improvement of sericulture, for development work entrusted to the animal husbandry expert and for other measures of experiments and demonstrations in the Agricultural Department. The increase of Rs. 1,91,000 under Army is chiefly explained by the provision made for measures of demobilization and for increased expenditure on feed and keep of ponies and bullocks.

6. *Capital outlay.*—The programme of Capital Works provides for about the normal outlay of 96½ lakhs, almost the whole of which is for works in progress. The amount required for financing this programme has to be found by amounts raised by public loan.

7. A statement showing the financial results of productive capital works is appended as usual.

Bangalore,
22nd July 1920.

M. N. KRISHNA RAO,
Financial Secretary.